



Catherine H. Smith
Commissioner

Department of Economic and
Community Development

Connecticut
still revolutionary

***TESTIMONY PRESENTED TO THE FINANCE, REVENUE AND BONDING
COMMITTEE
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Testimony in Opposition to House Bill No.6627

AN ACT CONCERNING REVIEW OF ANY PROPOSED STATE PROJECT COSTING IN EXCESS OF FIFTY
MILLION DOLLARS

Senator Fonfara, Representative Widlitz and distinguished members of the Finance, Revenue and Bonding Committee, I appreciate the opportunity to offer testimony in opposition to House Bill No. 6627, An Act Concerning Review of Any Proposed State Project Costing in Excess of Fifty Million Dollars. I come before you today because this proposal would bear significantly and negatively upon the work done by my Department.

The Department of Economic and Community Development, according to statute and policy, already conducts full and effective analysis of the projects it funds.

Specifically, the General Obligation Procedures Act already requires four elements of the report required under HB 6627:

- Capital development impact statement (if needed to evaluate the proposed project);
- Estimated full cost of the capital project when completed;
- Estimated annual operating costs for the capital project when completed (if the State is funding the operating costs); and
- A statement from the Commissioner of Agriculture for projects that would convert twenty-five or more acres of prime farmland to a nonagricultural use.

Also, DECD already uses an econometric model developed at the University of Connecticut and licensed to DECD – known as REMI – to estimate the impact of each proposed capital project and, by way of illustration, the Jackson Labs deal is leveraging state dollars by three to one, and our First Five program deals are leveraging private sector investment of five to seven dollars for every dollar of state money invested.

In addition to creating unnecessary duplication and expense, this bill would result in delays that would negatively impact outcomes of time-sensitive negotiations and dramatically increase the degree of uncertainty about the outcome of negotiations. This will make Connecticut a less attractive option for companies considering relocation or investment – both within Connecticut and from other states and abroad.

Beyond this, companies making investments are doing so in their own competitive environment and with time sensitivity. Further, private enterprises have substantial and legitimate concerns about control over proprietary or sensitive information. Introducing another party to the equation would drive some businesses away from considering Connecticut.

Adding an additional layer of oversight and review, in sum, would take the state in the opposite direction from the agile competitor that the Jobs Bill passed in October 2011 served to create, and run contrary to the direction DECD is taking before the legislature in the current session.

Thank you again for the opportunity to present this testimony. I respectfully request that the committee not support this bill.